

TEACHERS' RETIREMENT SYSTEM TABLE OF CONTENTS

Introductory Section

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organization Chart	7
Section Responsibilities and Professional Consultants	8
Alaska Retirement Management Board.....	9

Financial Section

Independent Auditors' Report	11
Management's Discussion and Analysis	13
Basic Financial Statements	
Statements of Plan Net Assets	20
Statements of Changes in Plan Net Assets	21
Notes to Financial Statements	
Note 1 - Description	22
Note 2 - Summary of Significant Accounting Policies	25
Note 3 - Investments	28
Note 4 - Foreign Exchange, Foreign Exchange Contracts and Off-Balance Sheet Risk	43
Note 5 - Securities Lending	44
Note 6 - Transfer from Retirement Systems	44
Note 7 - Commitments and Contingencies	45
Note 8 - Subsequent Event	46
Required Supplementary Information:	
GASB Statement No. 25:	
Schedule of Funding Progress - Pension Benefits	47
Schedule of Funding Progress - Postemployment Healthcare Benefits	48
Schedule of Contributions from Employers and the State of Alaska - Pension and Postemployment Healthcare Benefits	49
Notes to Required Supplementary Information	
Note 1 - Description of Schedule of Funding Progress	50
Note 2 - Actuarial Assumptions and Methods	50
Additional Information	
Schedule of Administrative and Investment Deductions	53
Schedule of Payments to Consultants Other than Investment Advisors	54

Investment Section

Investment Consultant's Report	55
Treasury Division Staff and External Money Managers and Consultants	57
Investment Report	59
Schedule of Investment Results	62

Investment Section (continued)

Asset Allocation	63
Top Ten Holdings by Asset Type	65
Schedule of External Management Fees	66
Investment Summary Schedule	68
Recaptured Commission Fees	69
Net Securities Lending Income	69

Actuarial Section

Actuarial Certification	71
Summary of Actuarial Assumptions, Methods and Procedures	74
Unfunded Liability	84
Employer Contribution Rates	85
Schedule of Active Member Valuation Data	86
Schedule of Benefit Recipients Added to and Removed From Rolls	86
Solvency Test	87
Analysis of Financial Experience	88
Summary of Plan Provisions	89

Statistical Section

Changes in Net Assets	95
Additions by Source	96
Deductions by Type	97
Schedule of Benefit Deductions by Type	98
System Membership by Status	99
Schedule of Benefit Recipients by Type	100
Schedule of Benefit Recipients by Option Selected	100
Schedule of Benefit Recipients by Healthcare Coverage	101
Schedule of Average Benefit Payments—New Benefit Recipients	102
Principal Participating Employers	103